

**RECOMMENDED SALARY AND
CLASSIFICATION LEVELS FOR
EXECUTIVE AND JUDICIAL OFFICIALS**

**Report of the
Executive and Judicial Compensation Commission
of the State of Utah**

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November 1, 2005

LETTER OF TRANSMITTAL TO THE UTAH STATE LEGISLATURE

Transmitted herewith is the 2005 report of the Executive and Judicial Compensation Commission. In compliance with UCA, Section 67-8-5, this report contains the Commission's salary recommendations for the State's elected officials, the judiciary, and salary range recommendations for appointed agency and department heads for FY 2007.

In addition, this report reiterates last year's proposal for a new methodology for salary adjustments for elected officials.

The Commission's recommendations for elected officials and appointed executives are based in part on a salary survey of surrounding states and an assessment of the duties and responsibilities of these officials. This is done in keeping with the requirements of the Commission's statutory charge and in recognition of the need to review compensation levels for state executives on a regular basis in order to reward them fairly for the level of responsibility and authority they manage, and to keep them relatively comparable to similar positions in Utah and surrounding states.

This report contains recommendations for increases in the salaries for the State's elected officers. Since its inception, the Executive and Judicial Compensation Commission has recognized the problems inherent in achieving adequate and equitable salaries for public executives. At the federal, state, and local government levels, salaries of executive positions have generally lagged behind executive levels in private industry. This has been particularly true in the case of elected officials. The Commission is aware that in the eyes of the public, a certain amount of prestige and honor is associated with the holding of an elected office. Accordingly, this characteristic of public office is usually considered to be part of the "compensation" for such office. At the same time, it should be obvious that if the state expects capable persons to run for public office, their compensation should be commensurate with the duties and responsibilities entrusted to them. For this reason, the Commission has consistently advocated a compensation policy based on objective and equitable treatment for both elected and appointed officials.

In the opinion of the Commission, the Utah Legislature has provided funds to support an executive pay plan allowing salaries for appointed officials which are fairly competitive with (although not comparable to) private industry, as well as with states similar to Utah. Also, the Legislature has made an effort to increase elected officials' salaries, again keeping them fairly comparable with surrounding states. However, under current law, the provisions allowing periodic salary increases for appointed executives do not apply to elected officials. Therefore, unless the Legislature follows a consistent policy of reviewing and upgrading salaries for elected officials, the salary levels for these officials will fall further and further behind those of appointed officials and others holding similar positions.

Prior to making its recommendations for the judiciary, the Commission consulted, as required by law, with the Judicial Council. The Judicial Council commissioned the Citizen Committee on Judicial Compensation to complete a study of judicial compensation and related issues. The report of this Committee was submitted to the Commission. The Commission recognizes that

the Legislature's approving increases in recent years has made significant progress in recognition of the unique nature of the judicial office and the qualifications necessary for applicants to this office. Both the Commission and the Council are concerned that the judiciary faces the continuing problem in its ability to attract and retain qualified individuals to the bench. The Commission recognizes that competitive salaries are an essential element of any plan to solve this problem and urges the Legislature to give consideration to the recommendations made in this report. The Commission notes that while the number of applicants for judicial vacancies has remained fairly constant over recent years, the level of experience of the applicants is trending downward. This suggests that the gap between judicial salaries and the more experienced attorneys in the state is widening. This trend should be monitored closely in the future.

In making the recommendations in this report, the Commission is aware of the revenue problems which the State has experienced the past few years, and how this has affected the decisions made during the 2003 and 2004 legislative sessions. The Commission, however, feels that it has a responsibility to make recommendations to the Legislature based on the factors specified by the law so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment in compensation matters. Based on this responsibility and role, the Commission feels very strongly of the need for the Legislature to be furnished with objective and current information and recommendations. Accordingly, we do not hesitate to submit this report and recommendations.

We appreciate the opportunity to serve the citizens of the State and the Legislature.

Sincerely yours,

THE EXECUTIVE AND JUDICIAL COMPENSATION COMMISSION

John T. Nielsen, Chairman
George Richards, Vice-Chair
Brian R. Allen
David Jones
Carol Nixon
Roger Tew

EXECUTIVE SUMMARY

Commission Responsibility

The Executive and Judicial Compensation Commission, as an independent commission created by the Legislature in 1969, is responsible for recommending a comprehensive compensation plan for the State's elected and appointed executives and the judiciary. The Commission recommends specific salaries for elected officials and judges and salary ranges for appointed directors and commissioners of state agencies.

Salary Recommendations for Elected Officials; Proposal for New Methodology

The Commission recommends that the Governor's salary should first be established and the salaries of the remaining elected officials should thereafter be set in accordance with a fixed percentage of the Governor's salary. The Commission recommends that the salaries of the Lieutenant Governor, State Auditor, and State Treasurer be increased to 85 percent of the Governor's salary. At the current Governor's salary, this represents an increase to \$88,500, a 9.2 percent increase for the Lieutenant Governor and State Treasurer and a 6.0 percent increase for the State Auditor.

The cost of these recommendations for FY 2007 is estimated at \$25,000. The Commission recommends no change in employee benefits for elected officials.

Range Recommendations for Appointed Officials

The Commission evaluated the appointed officials' position descriptions and concluded that the current salary range structure should be retained. The Commission recommends that the salary range for the Executive Compensation Plan, levels E-3 through E-6, be increased by 5.5 percent, the same percentage recommended by the Department of Human Resource Management for state employees. The recommendation would not increase any incumbent's salary, but would provide the Governor, who sets the salaries within the designated ranges, the flexibility to adjust specific salaries. While this increase is somewhat greater than in previous years, the Commission feels the need to provide some increase for the two years when there was no increase approved by the Legislature. This would also help to relieve some of the pressure currently felt as a result of the compression from the salaries of upper-level managerial positions approaching, and in some cases, exceeding, those of the executive directors.

The cost of implementation of these recommendations will depend on the Governor's decisions on salary increases granted within the ranges of the Executive Compensation Plan.

**Salary
Recommendations
for Judicial
Positions**

The Commission recommends that the salary for District Court Judge be increased by seven percent every year for three years beginning in FY 2007. This recommendation entails an increase from \$111,050 to \$118,800 in the salary for District Court Judge for FY 2007. Other judges' salaries would be adjusted according to their percentage relationship to the District Court level as provided by law. The cost of this increase is estimated at \$1,003,722.

**2005 REPORT OF THE
EXECUTIVE AND JUDICIAL COMPENSATION COMMISSION
TO THE 2006 LEGISLATURE**

**Commission was
created in 1969**

An executive compensation commission was originally created in 1969 by the Legislature as an independent commission to develop a comprehensive salary classification plan for the elected and appointed officials of the State. The legislative purpose was to develop a unified, orderly approach in determining compensation for State officers based on recognized standards. Such a system was deemed necessary in order to attract capable, responsible persons to serve in executive and judicial positions. The Commission makes its recommendations regarding the classification and compensation of these state officers directly to the Legislature. Recommendations on appointed executives are also made to the Director of the Department of Human Resource Management, who in turn reports to the Governor.

**Six Member
Commission**

Under the terms of the Executive and Judicial Salary Act (UCA 67-8-1), the Commission is composed of six members. One member is appointed by the Governor, one by the President of the Senate, and one by the Speaker of the House. These three then choose two other members. Under legislation adopted in 1988, the State Bar Commission appoints a sixth member. Originally, this member participated only in studies and recommendations on judicial compensation. Under amendments approved by the 1991 Legislature, this member now participates in all of the activities and recommendations of the Commission. Not more than three members may be from the same political party. The Commission elects its own chairperson and vice chairperson from opposite political parties.

John T. Nielsen, Chair
(Term Expires March 31, 2008)
Appointed by State Bar Commission

George Richards, Vice-Chair
(Term expires March 31, 2007)
Appointed by President Al Mansell

Brian R. Allen
(Term expires March 31, 2007)
Appointed by Speaker Martin Stephens

David Jones
(Term expires March 31, 2009)
Appointed by the Commission

Carol Nixon
(Term expires March 31, 2007)
Appointed by Governor Michael O. Leavitt

Roger Tew
(Term expires March 31, 2009)
Appointed by the Commission

The statute provides that administrative, budgeting, procurement, and related management functions for the Commission will be provided by the Legislative Fiscal Analyst who also serves as the ex-officio, non-voting secretary of the Commission.

COMMISSION ACTIVITIES IN 2005

Role of the Commission

Since its inception in 1969, the Executive and Judicial Compensation Commission, as an independent commission, has had the basic responsibility to recommend a comprehensive compensation plan for the State's elected and appointed executives. There have been some changes over the years in the definition and number of the positions to be reviewed by the Commission, the reporting channels to the Legislature, and the membership composition of the Commission. The most recent changes in the role and responsibility of the Commission were enacted by the 1991 Legislature.

The 1991 legislation (House Bill 49, State Officer Amendments), in response to some questions about the definition of the term "state officer," clearly defined those positions in State government that would be designated as "state officers" for compensation purposes. The positions now so designated, and for which the Commission makes salary recommendations, are:

- “(a) the governor, the lieutenant governor, the attorney general, the state auditor, and the state treasurer;
- (b) justices of the Supreme Court and judges of all constitutional and statutory courts of record; and
- (c) full-time commissioners and executive directors of executive branch departments appointed by the governor or with his approval, who report directly to the governor and who enumerated in UCA, Section 67-22-2." (UCA 67-8-5(2))

Commission recommends salaries for elected officials and judges, salary ranges for appointed officials

Under this authority, the Commission now recommends to the Legislature specific salaries for the elected officials and the judiciary and salary ranges for the appointed directors and commissioners of State agencies.

The Legislature then sets specific annual salaries and employee benefits for elected officers in statute, a single rate of pay for judges that is set in the annual appropriations act, and salary ranges, consisting of minimum and maximum rates of pay, for appointed officials, also set in statute.

The Governor then has the authority to set the specific annual salary of appointed officials and to grant salary increases based on performance within the ranges approved by the Legislature.

**Commission reports
to Executive
Appropriations
Committee**

The Commission is required by statute to report its recommendations to the Legislature through the Executive Appropriations Committee. The Commission also makes its recommendations on appointed officers' compensation available to the Executive Director of the Department of Human Resource Management. This department is then responsible to make recommendations to the governor on a compensation plan for these appointed officials. The governor usually makes his recommendations, both on elected and appointed official's compensation, to the Legislature in his budget message at the beginning of each annual Legislative session.

**Commission consults
with Judicial
Council on Judges'
salaries and
considers career
status**

The legislation establishing the Executive and Judicial Compensation Commission requires that the Commission consult with the Judicial Council and give due consideration to the career status of judges in developing its recommendations for judicial salaries. The law was amended in 1988 to also require comparisons with salaries paid in other states and comparable public and private employment within Utah.

In accordance with this provision, Executive and Judicial Compensation Commission received the Citizen's Committee on Judicial Compensation's report, commissioned by the Judicial Council's. The Commission's recommendations, based on this review, are contained in the Judicial Salary section of this report.

**Salary survey
conducted annually**

A salary survey of executive and judicial positions from 20 western and midwestern states conducted by the Utah Legislative Fiscal Analyst for the Western States Legislative Fiscal Officers Association was used by the Commission in developing its recommendations. The results of this survey, as of September 1, 2005, are summarized in Appendix I. Since the Commission is also concerned about salaries paid for comparable positions in the surrounding Rocky Mountain States, the salary survey results from these states are summarized separately in Appendix II.

Since it is very difficult to find executive positions in the private sector that equate with executive positions in state government, the Commission has not conducted a salary survey of private industry.

**Legislative Request
for Comprehensive
Evaluation of
E-Level Positions**

Following the 1st Special Session, a request was made by the President of the Senate and the Speaker of the House of Representatives for the Executive and Judicial Compensation Commission to "...review the salary ranges for executive branch officers and consider whether or not all cabinet level officers be assigned to the same salary range."

In response to this request, the Commission sent a questionnaire to all of the appointed executive officials requesting detailed information regarding their a) Scope of authority/effect of decisions; b) Mental requirements; c) Supervision exercised; d) Knowledge and administrative background; and e) Responsibility for contacts. Twenty-one of the 25 officials responded to the questionnaire. Their responses were evaluated by two members of the Executive and Judicial Compensation Commission and staff using a designated criteria instrument. The results of the evaluation indicate that there are clear differences in duties and responsibilities between the various officials. The Commission adopted a position that the officials should not all be placed in the same salary range and that the current four levels should be retained.

RECOMMENDATIONS FOR ELECTED OFFICIALS

Elected Officials, Salaries and “Emoluments”

The Commission is primarily responsible to "recommend to the Legislature salaries for the governor, the lieutenant governor, the attorney general, the state auditor and the state treasurer;" (UCA 67-8-5(1)(a)(I))(underlining supplied). However, the laws authorizing the Commission also require the Commission to submit a report each year in which specific recommendations are made "concerning adjustments, if any, that should be made in the salary or other emoluments of office so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment regardless of whether salaries are fixed by the Legislature or by the Department of Human Resource Management." (UCA 67-8-3(3)(c)(iii) (underlining supplied))

Based on this requirement, the Commission has in the past evaluated salary survey data and other information to determine if Utah's elected officials have employee benefits and "other emoluments" of office that are comparable to those provided in other states and to appointed executives within State government. These surveys and other studies have indicated that, in general, this requirement is met. For instance, Utah's elected officials are entitled to the same health and dental insurance, life insurance, long-term disability, workers' compensation, etc. that are provided to appointed executives. In the area of retirement benefits, the elected officials (with the exception of the Governor) are entitled to participate in either the State retirement system or in a deferred compensation plan administered by the State Retirement Office. The contribution rates for these plans are the same as those offered to appointed officials. In the case of the Governor, a specific retirement plan is authorized by the Legislature that allows, at age 65, a lifetime pension of \$500 per month if the governor has served one term, or \$1,000 per month if the Governor has served two or more terms.

In terms of "emoluments" other than the normal employee fringe benefits, the Governor is provided a vehicle for official and personal use, housing, household and security staff and household expenses. This is similar to most other states where generally an automobile and housing (mansion) is provided to the Governor. The Commission has not attempted to place a dollar value on these types of emoluments as a comparison to those provided for Utah's Governor.

The survey conducted for the Commission indicates that five western states (California, Colorado, New Mexico, Oregon, and Utah) report personal expense or contingent accounts for their Governors. In Utah, the Governor currently has a \$25,000 entertainment and contingent expense account.

Based on the salary and benefits surveys and a review of the duties and responsibilities, plus a comparison to other executive positions in Utah, the Commission makes the following recommendations regarding the salaries and benefits for Utah's elected officials.

**Proposed New
Methodology in
Determining Salary
Levels**

The Commission looked at the tiered approach to setting salaries in the judiciary where one main salary level is set and the rest are determined by formula from that level. The Legislature, in the 2005 General Session, adopted this methodology for setting the Attorney General's salary. This change incorporated part of the Commission's recommendation from last year. The Commission recommends the full implementation of this methodology, where the Governor's salary is first established, then using that figure as a base, the other three elected officials' salaries would be determined as a certain percentage of the Governor's salary figure. The Commission recommends that the salaries of the Lieutenant Governor, State Auditor, and State Treasurer be set at 85 percent of the Governor's base salary.

**Recommendations in
light of current
economic climate**

For FY 2006, the Legislature increased salaries by 2.5 percent, with the exception of a 15.8 percent increase in the salary of the Attorney General. These increases followed a one percent rise in salaries for FY 2005 and two years of no increases (FY 2004 and FY 2003) due to the economic difficulties which the State had experienced. The Commission understands the difficulty and the reality in the Legislature's making these decisions. The Commission realizes that resources are limited. The Commission also realizes that its recommendations should reflect the true needs and merits of the positions for which it makes recommendations. The Commission feels its recommendations are justified.

Governor's salary

The Commission focused its attention this year on the proposed structure for elected officials' salaries and made no recommendation regarding changes to the Governor's salary. Any change to the Governor's salary approved by the Legislature will change the Attorney General's salary and, if the proposed change in the methodology is approved, the salaries of the other three elected officials.

**Lieutenant
Governor's salary
recommended at
\$88,500**

The salary for the Lieutenant Governor has traditionally been based on the relationship of the Lieutenant Governor's position to that of the Governor, plus the nature of the duties and responsibilities assigned to the position rather than relying heavily upon a comparison to the salary survey of surrounding states. The Lieutenant Governor's position in Utah is generally assigned duties of a more substantial nature than those in surrounding states. In the Commission's opinion, this justifies the current salary of the Lieutenant Governor. The survey shows that the Lieutenant Governor's salary is 9.44 percent above the Rocky Mountain States survey average, but the survey average is comprised only of those Rocky Mountain states with full-time Lieutenant Governors (Colorado, Montana, and New Mexico). The Commission recommends that the Lieutenant Governor's salary be set at 85 percent of the Governor's salary, or \$88,500, an increase of 9.2 percent.¹ The Commission recommends the same benefits structure as currently provided.

**Attorney General's
salary**

The Attorney General's salary is now established in code at 95 percent of the Governor's salary.

**State Auditor's
salary recommended
at \$88,500**

The State Auditor supervises a staff of 40 auditors and 4 support personnel and is responsible for auditing the expenditure of public funds by all state agencies and institutions of higher education. This includes cooperation with the federal government in conducting a "single state audit" that includes the expenditure of millions of dollars in federal funds. The current salary for this position in Utah is 14.73 percent below the Rocky Mountain survey average, and 16.62 percent below the Western/Midwestern survey average.

A survey of current salaries within the Office of the State Auditor indicates that 8 auditors serving under the State Auditor's supervision are compensated at a higher salary level than the State Auditor, ranging from a low difference of \$2,000 to a high difference of \$4,000 annually.

The Commission, in its report to the 2005 Legislature, recommended that the State Auditor's salary be increased to \$85,000 which was 80 percent of the Commission's recommendation for the Governor's salary. The Legislature increased the salary to \$83,500 for FY 2006, an increase of 2.5 percent.

¹ Actual dollar figures and percent increases for the Lieutenant Governor, State Auditor, and State Treasurer positions are based on the Governor's current salary of \$104,100.

The Commission is convinced that the findings and rationale for its recommendations the past several years are still valid and so, the Commission recommends an annual salary for the State Auditor of \$88,500 based on a factor of 85 percent of the Governor's current base salary as well as the duties and responsibilities of the position and salaries paid in surrounding states. This would be a 6.0 percent increase from the current salary of \$83,500. The Commission recommends continuation of the current benefit structure.

**State Treasurer's
salary recommended
at \$88,500**

The State Treasurer in Utah is responsible for the safe keeping, management, and investment of an average daily balance of approximately \$2 billion in public funds. In relationship to surrounding states, the Treasurer's current salary is 1.29 percent above the Rocky Mountain survey average, and 5.81 percent below the Western/Midwestern average. Last year, the Commission recommended an increase of 7.6 percent. The Commission recommends the Treasurer's salary for FY 2007 be set at \$88,500, an increase of 9.2 percent, and equivalent to 85 percent of the Governor's salary. The Commission recommends continuation of the current benefit structure.

The following table summarizes the Commission's recommendations for elected officials for FY 2007, based upon the Governor's current salary level:

RECOMMENDED SALARIES FOR ELECTED OFFICIALS			
Position	Current Salary	Recommended Salary	Percent Increase
Lt. Governor	81,000	88,500	9.2
State Auditor	83,500	88,500	6.0
State Treasurer	81,000	88,500	9.2

**No change in
benefits
recommended**

The Commission recommends that the current benefits approved by the Legislature for elected officials be continued in FY 2007. The Commission also recommends that the Governor's contingency account be continued at the \$25,000 level for FY 2007.

**Cost of
Recommendation
\$25,000**

The increased cost of the recommendations for elected officials, including benefits, is estimated at \$25,000 for FY 2007.

The tables on the following pages indicate the Commission's recommendations and the salary history of each elected position.

GOVERNOR
Current Salary
 \$104,100

Salary History²

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1970	\$22,000	\$37,020	\$30,000	1/01/72
1972	30,000	38,844	33,000	7/01/73
1974	33,000	45,000	35,000	7/01/75
1976	35,000	40,000	40,000	5/10/77
1978	40,000	40,000	40,000	
1979	40,000	50,000	48,000	1/01/81
1980	48,000	50,000	48,000	
1981	48,000	52,000	52,000	7/01/82
1982	52,000	55,000	52,000	7/01/83
1983	52,000	57,000	55,000	7/01/84
1984	55,000	60,000	60,000	7/01/85
1985	60,000	62,500	60,000	7/01/86
1986	60,000	65,000	60,000	7/01/87
1987	60,000	66,000	60,000	7/01/88
1988	60,000	66,000	70,000	7/01/89
1989	70,000	75,400	72,800	7/01/90
1990	72,800	75,700	72,800	7/01/91
1991	72,800	90,000	75,000	7/01/92
1992	75,000	77,250	77,250	7/01/93
1993	77,250	79,550	79,600	7/01/94
1994	79,600	82,000	82,000	7/01/95
1995	82,000	90,000	85,200	7/01/96
1996	85,200	91,600	87,600	7/01/97
1997	87,600	94,200	90,700	7/01/98
1998	90,700	94,300	93,000	7/01/99
1999	93,000	98,000	96,700	7/01/00
2000	96,700	100,600	100,600	7/01/01
2001	100,600	103,600	100,600	7/01/02
2002	100,600	104,600	100,600	7/01/03
2003	100,600	104,600	101,600	7/01/04
2004	101,600	106,200	104,100	7/01/05

² Since formation of the Executive and Judicial Compensation Commission

LIEUTENANT GOVERNOR

Current Salary

\$81,000

Recommended Salary

85% of Governor's Salary

Salary History³

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1970	\$17,500	\$19,500	\$19,000	1/01/72
1972	19,000	17,760	20,000	7/01/73
1974	20,000	25,000	22,000	7/01/75
1976	22,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	35,500	35,500	7/01/83
1983	35,500	37,000*	45,000	7/01/84
		52,000**	45,000	
1984	45,000	50,000	50,000	7/01/85
1985	50,000	52,000	50,000	7/01/86
1986	50,000	52,500	50,000	7/01/87
1987	50,000	52,500	50,000	7/01/88
1988	50,000	52,500	52,500	7/01/89
1989	52,500	55,000	54,600	7/01/90
1990	54,600	56,800	54,600	7/01/91
1991	54,600	70,000	56,200	7/01/92
1992	56,200	60,000	60,000	7/01/93
1993	60,000	61,800	61,800	7/01/94
1994	61,800	63,700	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	73,300	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01
2001	78,200	79,800	78,200	7/01/02
2002	78,200	80,500	78,200	7/01/03
2003	78,200	80,500	79,000	7/01/04
2004	79,000	81,800	81,000	7/01/05

*Recommended effective 7/01/84, **Recommended effective 1/01/84

³ Ibid

ATTORNEY GENERAL

Current Salary

\$98,900

Salary History⁴

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1970	\$17,500	\$22,524	\$22,000	1/01/72
1972	22,000	24,840	23,000	7/01/73
1974	23,000	33,500	25,000	7/01/75
1976	25,000	30,000	30,000	5/10/77
1978	30,000	37,000	30,000	
1979	30,000	38,000	36,500	1/01/81
1980	36,500	42,500	36,500	
1981	36,500	42,500	41,000	7/01/82
1982	41,000	44,000	41,000	7/01/83
1983	41,000	45,000	43,500	7/01/84
1984	43,500	49,000	49,000	7/01/85
1985	49,000	51,500	49,000	7/01/86
1986	49,000	52,000	49,000	7/01/87
1987	49,000	54,000	54,000	7/01/88
1988	54,000	56,000	56,000	7/01/89
1989	56,000	58,700	58,300	7/01/90
1990	58,300	65,000	58,300	7/01/91
1991	58,300	75,000	60,000	7/01/92
1992	60,000	80,000	65,000	7/01/93
1993	65,000	75,000	67,000	7/01/94
1994	67,000	75,000	69,000	7/01/95
1995	69,000	75,700	71,700	7/01/96
1996	71,700	77,100	73,700	7/01/97
1997	73,700	79,200	76,300	7/01/98
1998	76,300	82,000	78,200	7/01/99
1999	78,200	88,200	81,300	7/01/00
2000	81,300	90,500	84,600	7/01/01
2001	84,600	93,200	84,600	7/01/02
2002	84,600	94,100	84,600	7/01/03
2003	84,600	94,100	85,400	7/01/04
2004	85,400	95,600	98,900	7/01/05

⁴ Ibid

STATE AUDITOR

Current Salary

\$83,500

Recommended Salary

85% of Governor's Salary

Salary History⁵

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1970	\$14,000	\$17,760	\$17,000	1/01/72
1972	17,000	17,760	19,000	7/01/73
1974	19,000	28,000	21,000	7/01/75
1976	21,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	41,000	35,500	7/01/83
1983	35,500	42,000	37,500	7/01/84
1984	37,500	47,000	45,000	7/01/85
1985	45,000	47,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	58,000	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	67,500	56,900	7/01/92
1992	56,900	67,500	62,000	7/01/93
1993	62,000	67,500	63,900	7/01/94
1994	63,900	70,000	65,800	7/01/95
1995	65,800	72,200	68,400	7/01/96
1996	68,400	73,500	70,300	7/01/97
1997	70,300	73,800	72,800	7/01/98
1998	72,800	78,300	74,600	7/01/99
1999	74,600	78,400	77,600	7/01/00
2000	77,600	80,500	80,700	7/01/01
2001	80,700	82,900	80,700	7/01/02
2002	80,700	83,700	80,700	7/01/03
2003	80,700	83,700	81,500	7/01/04
2004	81,500	85,000	83,500	7/01/05

⁵ Ibid

STATE TREASURER

Current Salary

\$81,000

Recommended Salary

85% of Governor's Salary

Salary History⁶

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1970	\$14,000	\$17,760	\$17,000	1/01/72
1972	17,000	17,760	19,000	7/01/73
1974	19,000	27,000	21,000	7/01/75
1976	21,000	24,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	37,500	35,500	7/01/83
1983	35,500	38,500	37,500	7/01/84
1984	37,500	42,000	45,000	7/01/85
1985	45,000	45,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	55,500	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	65,000	56,900	7/01/92
1992	56,900	65,000	60,000	7/01/93
1993	60,000	65,000	61,800	7/01/94
1994	61,800	65,000	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	75,700	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01
2001	78,200	79,800	78,200	7/01/02
2002	78,200	80,500	78,200	7/01/03
2003	78,200	83,700	79,000	7/01/04
2004	79,000	78,200	81,000	7/01/05

⁶ Ibid

RECOMMENDATIONS FOR APPOINTED OFFICIALS

Recommendations for Appointed Officials submitted to Legislature and Human Resource Management

The Utah Executive and Judicial Salary Act provides that the Director of Human Resources Management will, based on the recommendations of the Executive and Judicial Compensation Commission, recommend a compensation plan for appointed officers of the State to the Governor. The plan is to include salaries and wages, paid leave, group insurance plans, retirement programs, and any other benefits that may be offered to state officers. The Governor is then required to include specific recommendations on compensation for appointed officers in his annual budget proposal to the Legislature. A compensation plan is then approved by the Legislature by statute. The act further provides that the Commission will make "recommendations concerning revisions, modifications, or changes, if any, which should be made in the plan, its administration, or in the classification of any officer under the plan" (UCA 67-8-5 3 (c)(ii)). In compliance with this legislative directive, the following recommendations are made regarding the compensation plan for appointed officials in Utah State government. The recommendations in this section of the Commission's report are also being submitted to the Director of Human Resources Management in connection with his responsibility to make recommendations to the Governor.

Five Level Executive Compensation Plan adopted in 1990

The State's appointed executives generally serve at the pleasure of the Governor and so do not have the career status of those lower level officials appointed under the State's merit system. The demands of their positions in executing public policy and administering large and complex agencies and programs, often in a short-term situation, require executives with high management skills and capabilities. An adequate and competitive compensation plan is essential to attract and retain such individuals in state service.

Prior to FY 1991, the compensation plan for appointed officials consisted of a grade rating for each position that was tied to one of the salary grades of the State's classified pay plan. The Commission, in its report to the 1990 Legislature, recommended the adoption of an executive pay plan that consisted of five levels. The midpoints of the levels were derived from the average salaries of the executive positions surveyed by the Commission in the surrounding Rocky Mountain States and the salary range was 35 percent. The 1990 Legislature adopted the new plan recommended by the Commission. Over the past several years, the number of levels has been changed and is currently at four.

**Executive and
Judicial
Compensation
Commission
Evaluation of
E-Level Positions**

Following the 1st Special Session, the President of the Senate and the Speaker of the House of Representatives requested that the Executive and Judicial Compensation Commission "...review the salary ranges for executive branch officers and consider whether or not all cabinet level officers be assigned to the same salary range." In response to this request, the Commission sent out a questionnaire to all of the appointed executive officials asking for detailed information about their positions. Two Commission members and staff evaluated responses to this questionnaire using a criteria instrument. The results of the evaluation indicate that there are clear differences in duties and responsibilities between various officials. The Commission, therefore, adopted the position that officials should not all be placed in the same salary range and that the current four-level structure should be maintained.

**Executive salary
ranges should be
increased**

The Commission has reviewed the movement in the average salaries since the plan was first established and has also reviewed the effect of state and national cost-of-living figures. The Commission also discussed the effect of compensation plans implemented by local governments. City and county governments have granted much higher increases over the past decade to their employees, which has had the effect of widening the salary gap between state employees and the employees of local governments. (See Appendix III). Another problem is "compression" at upper management levels. The salaries of many positions just below these appointed officials, e.g. deputy directors, are approaching or surpassing those of the directors. This problem has become more acute over the past few years. Adjustments in the salary ranges should help alleviate this problem.

Based on all of these factors, the Commission recommends that the minimum and maximum rates of the E-3 through E-6 levels of the Executive Compensation Plan be increased by 5.5 percent, which is the same percentage recommended by the Department of Human Resource Management for FY 2007 for state employees.

**Cost of salary
recommendations
dependent on the
action of the
Governor**

There will be no definite general cost to the salary plan or position assignment recommendations made by the Commission in this report. Any cost implications would depend on salary increases granted by the Governor within the ranges of the compensation plan or where positions are moved to a higher salary level. There are currently no executives who are at the minimum of their pay range that would be affected by the recommended increase in the minimum rate of the plan for FY 2007. It is important to periodically adjust the rates of the compensation plan to keep them competitive, thus allowing the Governor the flexibility to pay salaries that will attract and retain competent executives to manage and direct the State's agencies.

**Summary of
recommended level
assignments**

The summary of the Commission's recommended assignment of the State's appointed executive positions to the levels of the Executive Compensation Plan and the recommended salary ranges follow (see 67-22-2):

Level E3 **\$70,500 - \$95,600**

Commissioner of Agriculture and Food
Commissioner of Insurance
Commissioner of the Labor Commission
Director, Alcoholic Beverage Control Commission
Commissioner, Department of Financial Institutions
Members, Board of Pardons and Parole
Executive Director, Department of Commerce
Executive Director, Commission of Criminal and Juvenile Justice
Adjutant General

Level E4 **\$76,400 - \$103,000**

Chair, Tax Commission
Commissioners, Tax Commission
Executive Director, Department of Community and Culture
Executive Director, Tax Commission
Chair, Public Service Commission
Commissioners, Public Service Commission

Level E5 **\$83,000 - \$112,000**

Executive Director, Department of Corrections
Commissioner, Public Safety Commission
Executive Director, Department of Natural Resources
Director, Governor's Office of Planning and Budget
Executive Director, Department of Administrative Services
Executive Director, Department of Human Resource Management
Executive Director, Department of Environmental Quality
Director, Governor's Office of Economic Development

Level E6 **\$90,400 - \$122,100**

Executive Director, Department of Workforce Services
Executive Director, Department of Health
Executive Director, Department of Human Services
Executive Director, Department of Transportation
Executive Director, Department of Information Technology Services

Current benefits are recommended to be maintained

As part of its review responsibility, the Commission considers the employee benefits available to appointed officials. The Commission recommends that the current list of benefits contained in the State Officer Compensation Act continue to be approved for appointed officials. The level of these benefits, i.e., rate increases for health insurance, dental insurance, etc. should be adjusted by any increase approved by the Legislature for the State's classified employees.

Maintain current deferred compensation plan

It is noted that the Commission recommended in its 1984 report that the Legislature permit department and agency directors and commissioners to choose to be exempt from the current state retirement system and allow them to participate in a more portable "defined contribution" plan designed for these executive-level positions. The Legislature responded to this recommendation with the passage of a bill which allows such a plan. The State Retirement Board has developed deferred compensation plans under this authority with full vesting of the contributions made by the State for the executive.

REPORT ON JUDICIAL COMPENSATION IN UTAH

Introduction	<p>The duties of the Commission include the responsibility to recommend to the Legislature salaries for "justices of the Supreme Court and judges of the constitutional and statutory courts of record" (UCA 67-8-5(1)(a)(ii)).</p>
Criteria for Judicial Salary Recommendations	<p>The Legislature, in prescribing this duty specified the factors that are to be considered as a base for the Commission's recommendation. These factors include:</p> <ul style="list-style-type: none">▶ Consultation with the Judicial Council▶ Consideration for the career status of judges▶ Comparisons with salaries paid in other states▶ Comparisons with comparable public and private employment with the state (UCA 67-8-5 (4)(a))
Judicial Council Report	<p>In connection with its responsibility for consultation with the Judicial Council, the Commission annually receives and reviews the report of the Citizens Committee on Judicial Compensation, commissioned by the Judicial Council.</p> <p>The Commission met with the Judicial Council on October 17, 2005 to review the report.</p>
Benchmark Salary in District Court Judge - Others set at a Percentage Relationship	<p>The salary for the District Court judge is set by the Legislature as the benchmark for salary comparison purposes and the key salary to which other judicial positions are related. Under current statute (67-8-2), the salaries for Supreme Court Justices are set at 110 percent of the District Court level, Appeals Court judges' salaries are set at 105 percent, and Juvenile Court Judges salaries are set at the same level as the District Court Judges.</p>
Quality of Applicants is decreasing	<p>In its past reports on salary recommendations, the Executive and Judicial Compensation Commission has outlined the serious problem of the recruitment of qualified individuals for judicial vacancies, including the concern about the level of judicial compensation that helps attract and retain the best qualified individuals for judicial vacancies. The Citizen Committee on Judicial Compensation reports that, based on past retirement trends, 44 percent of current judges will retire in the next 5 years, with 22 percent eligible to retire immediately.</p> <p>The history of Commission recommended salaries and legislative action in recent years is shown in the table on the following page.</p>

HISTORY OF PROPOSED SALARY INCREASES AND LEGISLATIVE ACTION

Year	Commission Recommended District Court Salary	Actual Legislative Action	Percent Increase
FY 1992	80,000	73,000	4.0
FY 1993	88,000	80,000	9.6
FY 1994	88,000	81,200	1.5
FY 1995	88,000	83,650	3.0
FY 1996	88,000	86,200	3.0
FY 1997	89,648	89,550	3.9
FY 1998	93,132	90,450	1.0*
FY 1999	93,150	93,600	3.5
FY 2000	93,600	95,900	2.5
FY 2001	99,700	99,700	4.0
FY 2002	103,700	103,700	4.0
FY 2003	106,800	103,700	0.0
FY 2004	107,850	103,700	0.0
FY 2005	107,850	104,750	1.0
FY 2006	112,100	111,050	6.0

* Retirement benefits increased by an amount approximately equal to 2 percent salary, making a total compensation increase of 3 percent for FY 1998.

Recommendations for FY 2007

From the late 90's through 2002, the salary increases approved for the judiciary enabled the State to attract and retain an increasing level of qualified applicants for the court system. However, since then, the salary issue has resulted in younger applicants, as well as applicants with lower peer ratings.

The Commission is anxious that this trend be reversed so that experienced and qualified applicants can be attracted to the bench.

District Court Judges' Salary Recommendation for FY 2007 at \$118,800

Based on comparative salaries, both locally and nationally, the Commission recommends that the salary for District Court Judge be increased by seven percent every year for three years beginning in FY 2007. This recommendation entails an increase in the salary for District Court Judge from \$111,050 to \$118,800 in FY 2007. Other judges' salaries would be adjusted according to their percentage relationship to the District Court level as provided by law.

Cost of the Recommendation \$1,003,722

The cost of this recommendation is estimated at \$1,003,722; details and the effect on the other judges in the court system are outlined in the following table.

COST OF PROPOSED JUDICIAL SALARY INCREASES

	Salary Ratio	FY 2006 Salary	FY 2007 Proposed Salary	Amount of Increase	Number of Judges	Total Increase	Percent Increase
Supreme Court Justice	110%	\$122,150	\$130,700	\$8,550	5	\$42,750	7.0%
Appellate Court Judge	105%	116,600	124,750	8,150	7	\$57,050	7.0%
District Court Judge	100%	111,050	118,800	7,750	70	\$542,500	7.0%
Juvenile Court Judge	100%	111,050	118,800	7,750	27	\$209,250	7.0%
Total Number of Judges					109		
Total Salary Increases						\$851,550	
Benefit Cost Rate						17.87%	
Benefit Cost						\$152,172	
Total Cost of Increase						\$1,003,722	

Appendix I
SALARY SURVEY
WESTERN AND MIDWESTERN STATES
2005

Salaries as of 1 September 2005

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	Percent Difference from <u>Average</u>
<u>Elected Officials</u>					
Governor	175,000	85,000	108,114	104,100	-3.71%
Lt. Governor	131,250	7,200	82,594	81,000	-1.93%
Secretary of State	131,250	65,000	84,482	0	-100.00%
Attorney General	148,750	75,000	98,141	98,895	0.77%
State Auditor	180,000	60,000	100,148	83,500	-16.62%
State Treasurer	140,000	60,000	85,996	81,000	-5.81%
<u>Appointed Officials</u>					
Adjutant General	167,740	77,563	110,696	90,598	-18.16%
Commissioner, Agriculture	131,412	68,796	95,393	90,598	-5.03%
Director, Dept. of Natural Resources	133,575	62,284	104,429	102,500	-1.85%
Director, Dept. of Environmental Quality	137,904	61,484	105,077	105,360	0.27%
Director, Planning and Budget	134,160	84,872	108,199	98,366	-9.09%
Director, Dept. of Administrative Services	150,000	58,728	102,748	101,498	-1.22%
Director, Dept. of Human Resources	189,000	71,136	96,132	105,360	9.60%
Director, Alcoholic Beverage Control	123,255	47,760	86,532	90,598	4.70%
Director, Dept. of Commerce	146,590	70,536	109,988	90,598	-17.63%
Chairman, Industrial Commission	131,412	60,000	97,385	90,598	-6.97%
Director, Department of Workforce Services	135,000	75,408	103,891	115,278	10.96%
Commissioner, Insurance	163,800	70,739	100,564	90,598	-9.91%
Commissioner, Financial Institutions	136,191	58,728	90,976	90,598	-0.42%
Chairman, Public Service Commission	118,598	50,000	91,596	96,593	5.46%
Chairman, Tax Commission	132,000	71,700	100,621	96,841	-3.76%
Director, Dept. of Community and Economic Development	140,000	91,200	107,473	97,593	-9.19%
Director, Dept. of Transportation	175,000	83,932	113,657	115,278	1.43%
Commissioner, Public Safety	150,000	70,950	107,935	105,360	-2.39%
Director, Dept. of Corrections	165,000	70,008	110,788	105,360	-4.90%
Director, Dept. of Health	182,100	83,932	120,893	115,696	-4.30%
Director, Dept. of Human Services	155,000	90,177	118,353	115,696	-2.24%
<u>Judiciary</u>					
Chief Justice, Supreme Court	184,118	102,461	126,719	124,150	-2.03%
Associate Justice, Supreme Court	175,575	100,880	124,281	122,150	-1.71%
District Court Judge	164,604	94,099	114,204	111,050	-2.76%
Juvenile Court Judge	158,600	94,839	115,450	111,050	-3.81%

States surveyed include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Washington, and Wyoming. Averages do not include Utah.

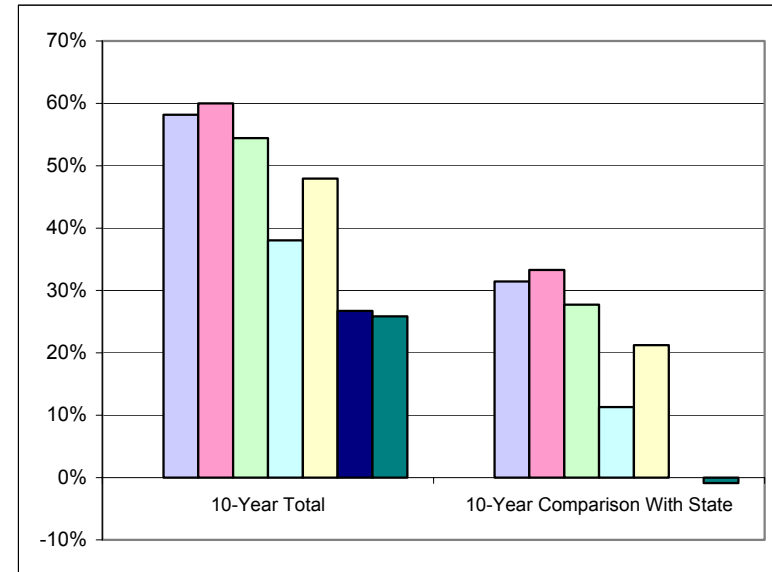
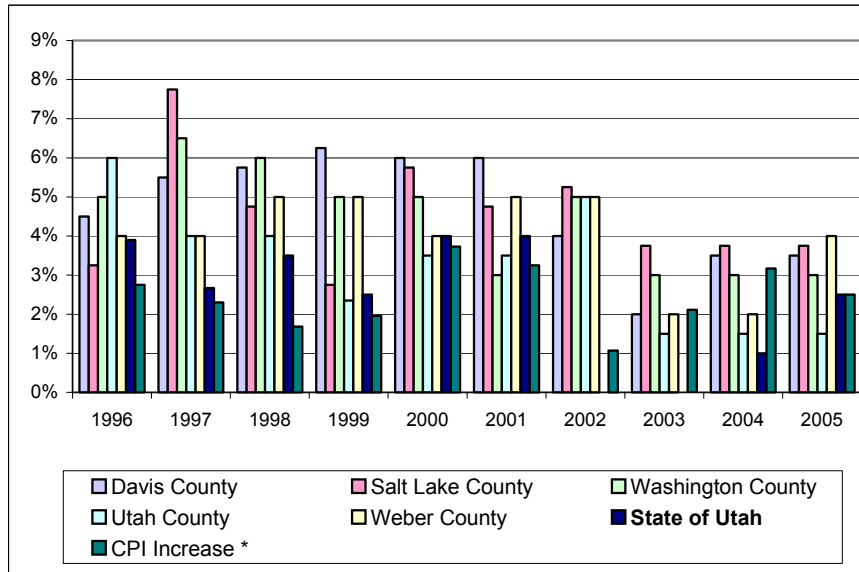
Appendix II
SALARY SURVEY
ROCKY MOUNTAIN STATES
2005
Salaries as of 1 September 2005

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	Percent Difference from <u>Average</u>
<u>Elected Officials</u>					
Governor	117,000	90,000	102,474	104,100	1.59%
Lt. Governor	86,819	26,750	74,014	81,000	9.44%
Secretary of State	92,000	68,500	79,480	0	-100.00%
Attorney General	110,000	80,000	93,583	98,895	5.68%
State Auditor	132,080	76,579	97,923	83,500	-14.73%
State Treasurer	92,000	68,500	79,970	81,000	1.29%
<u>Appointed Officials</u>					
Adjutant General	133,575	77,563	105,989	90,598	-14.52%
Commissioner, Agriculture	130,896	78,040	95,784	90,598	-5.41%
Director, Dept. of Natural Resources	131,412	98,354	110,116	102,500	-6.92%
Director, Dept. of Environmental Quality	134,820	83,932	104,925	105,360	0.41%
Director, Planning and Budget	124,836	84,872	102,476	98,366	-4.01%
Director, Dept. of Administrative Services	150,000	83,932	107,197	101,498	-5.32%
Director, Dept. of Human Resources	108,000	73,806	87,256	105,360	20.75%
Director, Alcoholic Beverage Control	110,800	73,441	89,145	90,598	1.63%
Director, Dept. of Commerce	146,590	83,932	116,502	90,598	-22.23%
Chairman, Industrial Commission	123,000	83,932	96,576	90,598	-6.19%
Director, Department of Workforce Services	134,820	87,335	109,796	115,278	4.99%
Commissioner, Insurance	109,650	81,159	96,269	90,598	-5.89%
Commissioner, Financial Institutions	103,428	75,689	89,381	90,598	1.36%
Chairman, Public Service Commission	112,200	78,269	90,987	96,593	6.16%
Chairman, Tax Commission	132,000	71,700	98,769	96,841	-1.95%
Director, Dept. of Community and Economic Development	128,581	93,088	111,599	97,593	-12.55%
Director, Dept. of Transportation	134,823	83,932	113,166	115,278	1.87%
Commissioner, Public Safety	130,000	87,200	112,330	105,360	-6.20%
Director, Dept. of Corrections	131,076	83,932	111,636	105,360	-5.62%
Director, Dept. of Health	175,100	83,932	117,911	115,696	-1.88%
Director, Dept. of Human Services	134,999	90,177	117,828	115,696	-1.81%
<u>Judiciary</u>					
Chief Justice, Supreme Court	170,800	102,461	121,611	124,150	2.09%
Associate Justice, Supreme Court	170,800	100,880	120,131	122,150	1.68%
District Court Judge	158,600	94,099	112,043	111,050	-0.89%
Juvenile Court Judge	158,600	110,255	129,868	111,050	-14.49%

States surveyed include: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, and Wyoming. Averages do not include Utah.

STATE/COUNTIES

Merit/Cola Percent Increases (Local Comparative Data)



Employer	1996 Total	1997 Total	1998 Total	1999 Total	2000 Total	2001 Total	2002 Total	2003 Total	2004 Total	2005 Total	10-Year Compounded Total	10-Year Comparison with State
Davis County	4.50%	5.50%	5.75%	6.25%	6.00%	6.00%	4.00%	2.00%	3.50%	3.50%	58.16%	31.45%
Salt Lake County	3.25%	7.75%	4.75%	2.75%	5.75%	4.75%	5.25%	3.75%	3.75%	3.75%	60.00%	33.28%
Washington County	5.00%	6.50%	6.00%	5.00%	5.00%	3.00%	5.00%	3.00%	3.00%	3.00%	54.44%	27.72%
Utah County	6.00%	4.00%	4.00%	2.35%	3.50%	3.50%	5.00%	1.50%	1.50%	1.50%	38.02%	11.30%
Weber County	4.00%	4.00%	5.00%	5.00%	4.00%	5.00%	5.00%	2.00%	2.00%	4.00%	47.94%	21.22%
State of Utah	3.90%	2.67%	3.50%	2.50%	4.00%	4.00%	0.00%	0.00%	1.00%	2.50%	26.72%	0.00%
CPI Increase *	2.75%	2.30%	1.68%	1.96%	3.73%	3.25%	1.07%	2.11%	3.17%	2.50%	25.84%	-0.87%

*National CPI for all urban consumers calculated June to June

Last Update: 10/31/2005

g/data/dhrmdocs/compensation/reports/county increase history